



California Board of Accountancy
 2450 Venture Oaks Way, Suite 300
 Sacramento, CA 95833

phone: (916) 263-3680 *fax:* (916) 263-3675 *web:* www.cba.ca.gov



**DEPARTMENT OF CONSUMER AFFAIRS (DCA)
 CALIFORNIA BOARD OF ACCOUNTANCY (CBA)**

**MINUTES OF THE
 March 22-23, 2018
 CBA MEETING**

**Wyndham Irvine-Orange County Airport Hotel
 17941 Von Karman Avenue
 Irvine, CA 92614
 Telephone: (949) 345-1856**

Roll Call and Call to Order.

California Board of Accountancy (CBA) President Michael M. Savoy, CPA, called the meeting to order at 11:40 a.m. on Thursday, March 22, 2018 at the Wyndham Irvine-Orange County Airport Hotel. The CBA recessed at 12:14 p.m. for lunch. The CBA reconvened from 1:30 p.m. until 4:00 p.m. The CBA convened into closed session at 4:07 p.m. until 4:48 p.m. The CBA reconvened into open session from 4:42 p.m. until 5:24 p.m. The CBA reconvened into open session on Friday, March 23, 2018, at 9:01 a.m. until 10:27 a.m. The meeting reconvened into closed session at 10:35 a.m. until 11:08 a.m. President Savoy adjourned the meeting at 11:09 a.m.

CBA Members

Michal M. Savoy, CPA, President
 George Famalett, CPA, Vice-President
 Mark Silverman, Esq. Secretary/Treasurer
 Alicia Berhow
 Jose A. Campos, CPA
 Karriann Farrell Hinds, Esq.
 Dan Jacobson, Esq.
 Xochitl León
 Luz Molina Lopez
 Carola Nicholson, CPA
 Jian Ou-Yang, CPA
 Sunny Youngsun Park, Esq.
 Deidre Robinson

March 22, 2018

11:40 a.m. to 5:24 p.m.
 11:40 a.m. to 5:24 p.m.
 11:40 a.m. to 5:24 p.m.
 11:40 a.m. to 5:24 p.m.
 11:40 a.m. to 5:24 p.m.
 Absent
 11:40 a.m. to 5:24 p.m.
 11:40 a.m. to 5:24 p.m.
 11:40 a.m. to 5:24 p.m.
 11:40 a.m. to 5:24 p.m.
 Absent
 Absent
 Absent

Katrina L. Salazar, CPA
Kathleen Wright, CPA

11:40 a.m. to 5:24 p.m.
11:40 a.m. to 5:24 p.m.

CBA Members

Michael M. Savoy, CPA, President
George Famalett, CPA, Vice-President
Mark Silverman, Esq. Secretary/Treasurer
Alicia Berhow
Jose A. Campos, CPA
Karriann Farrell Hinds, Esq.
Dan Jacobson, Esq.
Xochitl León
Luz Molina Lopez
Carola Nicholson, CPA
Jian Ou-Yang, CPA
Sunny Youngsun Park, Esq.
Deidre Robinson
Katrina L. Salazar, CPA
Kathleen Wright, CPA

March 23, 2018

9:01 a.m. to 11:09 a.m.
9:01 a.m. to 11:09 a.m.
9:01 a.m. to 10:00 a.m.
9:01 a.m. to 11:09 a.m.
9:01 a.m. to 11:09 a.m.
Absent
9:01 a.m. to 11:09 a.m.
9:01 a.m. to 11:09 a.m.
9:01 a.m. to 11:09 a.m.
Absent
Absent
Absent
Absent
9:01 a.m. to 11:09 a.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Karen Nelson, Assistant Deputy Director, Office of Board and Bureau Services
Rich Andres, Information Technology Staff
Aaron Bone, Information and Planning Officer
Ileana Butu, Legal Counsel, DCA
Angela Contreras, Executive Office Assistant
Paul Fisher, CPA, Enforcement Manager
Dominic Franzella, Chief, Enforcement Division
Nooshin Movassaghi, Legislative Analyst
Rebecca Reed, Board Relations Analyst
Gina Sanchez, Chief, Licensing Division
Carl Sonne, Deputy Attorney General, Department of Justice

Committee Chairs and Members

Joseph Rosenbaum, CPA, Chair, Enforcement Advisory Committee (EAC)
Nancy Corrigan, CPA, Vice-Chair, EAC
Jeffrey De Lyser, CPA, Chair, Peer Review Oversight Committee (PROC)
Joseph Petito, Esq., Vice-Chair, Mobility Stakeholder Group (MSG)

Other Participants

Cindy F. Forman, Administrative Law Judge, Office of Administrative Hearings
Jason Fox, California Society of CPAs (CalCPA)
JoAnn Henkel
Pilar Oñate-Quintana, The Oñate Group
Anna Randall, Center for Public Interest Law

Jon Ross, KP Public Affairs

I. Report of the President.

- A. Resolution for Retiring Enforcement Advisory Committee Member
Nicholas Antonian, CPA.

It was moved by Ms. Berhow and seconded by Mr. Campos to approve the resolution for Mr. Antonian.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

- B. Resolution for Retiring Enforcement Advisory Committee Member
Dale Best, CPA.

It was moved by Mr. Silverman and seconded by Ms. Berhow to approve the resolution for Mr. Best.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

- C. Resolution for Retiring Enforcement Advisory Committee Member
Mary Rose Caras, CPA.

It was moved by Ms. Nicholson and seconded by Ms. Berhow to approve the resolution for Ms. Caras.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

D. National Association of State Boards of Accountancy Committee Interest Form.

President Savoy stated that members interested in serving on a National Association of State Boards of Accountancy (NASBA) committee should submit an application by the deadline.

E. National Association of State Boards of Accountancy 2018-19 Request for Vice Chair Recommendations.

Ms. Reed stated that the NASBA Nominating Committee was seeking requests for recommendations from all state boards to serve as Vice Chair for the 2018-19 year. She stated that the deadline to submit recommendations to serve as the NASBA Vice Chair is April 18, 2018 and that the CBA had not received any requests for support from individuals seeking to serve as Vice Chair.

F. Discussion and Review of CBA Actions Regarding Issues Identified in the 2014 Sunset Review Report and New Issues Proposed to be Included in the 2018 Sunset Review Report.

Mr. Bone stated that purpose of this item is to allow the CBA members the opportunity to comment and provide feedback on several items proposed to be included in the CBA's upcoming Sunset Review Report, which will be completed later this year.

Mr. Bone requested that the CBA provide comments on the following five topics that the Legislature identified as issues during the prior Sunset Review process. Each issue contains the Legislatures comments and recommendation and an update on the activities relating to the particular issue. The issues include: the CBA's peer review program, disciplinary case management and timeframes, permanent practice restrictions, reserve levels in the Accountancy Fund, and customer satisfaction. He stated that staff have also identified one new issue that may impact its ability to fulfill its mission, which is staffing.

Mr. Bone stated that in 2014 the Legislature recommended that the CBA's peer review program be continued and directed the CBA to provide a report on the program to the Legislature by November 1, 2018. He stated that in the CBA's proposed response, staff discussed the CBA's analysis of the benefits of the peer program and that staff is working with the California Society of CPAs (CalCPA) and the American Institute of Certified Public Accountants (AICPA) to conduct a survey amongst those who participated in the peer review program.

Mr. Campos inquired if the peer review report will go to the Peer Review Oversight Committee (PROC) prior to being submitted to the Legislature.

Mr. Franzella stated that the Peer Review Report will be brought before CBA for consideration, input, and approval before being submitted to the Legislature.

Mr. Campos stated that staff should incorporate mobility into the Peer Review Report and also into the response on this item for the Sunset Review.

Mr. Bone stated that issue two discusses the CBA's disciplinary case management and time frames. He stated that in the proposed response, staff explain the history of the CBA's efforts to achieve a 540 day processing timeframe and the various factors and circumstances that impact the CBA's processing timeframes.

Mr. Campos inquired if there was any way to receive more information regarding the aging on open disciplinary cases.

Mr. Franzella stated that more information regarding aging with open disciplinary cases will be incorporated into future Enforcement Activity Reports (EAR).

Mr. Campos inquired about the restructuring of the Enforcement Unit and how the restructure effects the timeframes.

Mr. Franzella stated that historically, the Investigative CPAs (ICPA) handled almost every aspect of an investigation, including the administration duties. He stated that with the restructure of the Enforcement Division, staff other than ICPAs are able to handle the administrative portion of an investigation which allows the ICPAs time to focus more on the technical portion of cases.

Mr. Campos suggested that staff scale the New Investigations vs. Closed Investigations chart on page five of attachment two differently, to make trends more noticeable. He suggested starting with a 1,000 day case period.

Mr. Campos requested that staff provide context and clarity regarding how case aging is determined prior to submitting cases to the Attorney General's Office.

Mr. Bone stated that issue three was regarding permanent practice restrictions. He stated that effective January 1, 2016, the CBA was granted authority to include permanent practice restrictions in its disciplinary orders. Mr. Bone stated that in the proposed response, staff indicated that this was an effective consumer protection tool and that since 2016, the CBA took disciplinary action in 113 cases that resulted in a license being placed on probation. He stated that of those cases, 51 percent included a permanent practice restriction.

Mr. Bone stated that issue four discussed the CBA's Reserve Level in its Accountancy Fund. He stated that in 2014, the Legislature stated its desire for the CBA to have a reserve in its fund of approximately 24 months of authorized expenditures. Mr. Bone stated that in the proposed response, staff discuss the history of the CBA's fund condition, the results of two fee analyses, repayment of loans made to the General Fund, and that the CBA approved in January 2018 a rulemaking to increase its license renewal and initial permit fees from \$120 to \$250.

Mr. Bone stated that issue five was regarding customer satisfaction. He stated that in 2014, the Legislature inquired why the CBA received substantially different responses from those who took the DCA Consumer Satisfaction Survey and the CBA's Stakeholder Satisfaction Survey. He stated that in its response, staff discuss the differences between the two surveys and the CBA's efforts to increase engagement in the surveys.

Mr. Campos inquired if there is anything staff can do to work with DCA to improve the effectiveness of their survey.

Ms. Bowers stated that staff is working with NASBA's communication team to come up with an improved survey. Once completed, staff will share it with DCA to see if DCA can incorporate the improvements into their survey.

Mr. Bone stated that "staffing" is one issue that was identified to report to the Legislature. He stated that staff propose stating that to help ensure the CBA has sufficient resources to meet its consumer protection mission, the CBA will be seeking additional staffing resources.

Ms. Wright inquired if this would correlate with the budget process.

Ms. Pearce stated that there is a separate process that staff will be going through to try and obtain additional staff. She stated that by identifying this issue, it will then be on their radar.

Ms. León inquired if there is anything in the Little Hoover Commission Report that would impact the Sunset Review.

Ms. Bowers stated that staff can go back and review the report and see if there are any topics and report to the CBA at its next meeting.

G. Discussion and Possible Adoption of the Proposed 2019 California Board of Accountancy Meeting Dates and Locations.

Ms. Reed provided the proposed 2019 CBA meeting dates and locations.

It was moved by Mr. Silverman and seconded by Ms. Berhow to adopt the 2019 CBA meeting dates and locations.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

- H. Developments Since the February 2015 United States Supreme Court Decision: North Carolina State Board of Dental Examiners v. Federal Trade Commission.

There was no report on this agenda item.

- I. Department of Consumer Affairs Director's Report on Departmental Activities.

Karen Nelson, Assistant Deputy Director, Office of Board and Bureau Services, reported that Dennis Romero has recently been appointed as Deputy Director for Legislative Affairs at the Department of Consumer Affairs and that he will be reaching out to staff to formally introduce himself. She stated that the next Board Member Orientation Training will take place on June 6, 2018.

Ms. Nelson reported that the DCA SOLID training team will be conducting a team building boot camp for board and bureau members and staff that will be geared towards improving interactions and facilitate cohesiveness within the group. She stated that if interested, staff can contact SOLID for more information.

Ms. Nelson reported that as part of DCA's strategic plan, the licensing and enforcement workgroup will be meeting to look at, identify, and share best practices amongst the boards and bureaus.

- II. Report of the Vice-President.

- A. Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee.

There was no report on this agenda item.

- B. Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee.

It was moved by Mr. Famalett and seconded by Mr. Silverman to appoint Charles W. Hester, Sr., CPA, to the Qualifications Committee.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

It was moved by Mr. Famalett and seconded by Mr. Silverman to reappoint David Evans, CPA, to the Qualifications Committee.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

C. Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee.

It was moved by Mr. Famalett and seconded by Mr. Silverman to appoint Alan S. Lee, CPA, to the Peer Review Oversight Committee.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

III. Report of the Secretary/Treasurer.

A. Fiscal Year 2017-18 Mid-Year Financial Statement.

Mr. Silverman stated that the Mid-Year financial report contained a snapshot of the CBA's expenditures as of December 31, 2017.

Mr. Silverman stated that the DCAs budget office is working diligently to complete all budget reporting with the new accounting software and is hopeful that will occur by the end of April. He stated that if this were to occur, we will have more actual numbers to present at the May CBA meeting, including a report on revenues received.

Mr. Silverman stated that the CBA's enforcement expenditures have steadily increased in prior years as reflected and that the CBA has submitted a current-year funding augmentation to DCA for its Attorney General budget. He stated that this was done in conjunction with the Attorney General's office and based on the CBA's pending inventory and potential litigation. He stated that the augmentation request must be reviewed and approved by DCA, the Business, Consumer Services, and Housing Agency and the Department of Finance.

IV. Report of the Executive Officer.

A. Update on Staffing.

There was no report on this agenda item.

B. Update on the California Board of Accountancy's Communications and Outreach.

Mr. Bone stated that On February 28, Mr. Campos joined CBA staff at California State University (CSU), San Bernardino and spoke to more than 100 students and faculty. He stated CSU San Bernardino also invited other colleges from their region to attend. Mr. Campos shared his perspective on current and future career opportunities in the CPA profession. Staff provided information on the qualifications for the Uniform CPA Examination (CPA Exam) and CPA licensure.

Mr. Bone stated that on March 10, President Savoy and Ms. Pearce attended a consumer outreach event at Crenshaw High School, in Los Angeles. At this event, the CBA spoke to consumers about license lookup, tips to select a CPA, and handed out the *Consumer Assistance Booklet*.

Mr. Bone stated that on April 17, President Savoy and staff will travel to Cal Poly San Luis Obispo to speak to the Cal Poly Accounting Club. They will discuss the requirements for licensure, with a particular emphasis on the requirements to sit for the CPA Exam.

He stated that also on April 17, the CBA will, for the third year in a row, join the California Department of Business Oversight and other state agencies and non-profit organizations at the California Financial Literacy Month Resource Fair.

Mr. Bone stated that the CBA will hold an event on the campus of the University of San Diego Extension Program on May 31. Students at this program are

typically already in the work force, but need to take a few classes to achieve their career goals. This event will focus on the requirements for CPA licensure.

V. Petition Hearings.

A. Masood Ahmed Chotani – Petition for Reinstatement of Revoked Certificate.

The CBA heard Mr. Chotani's petition for reinstatement of revoked certificate.

B. James Brian Haynes – Petition for Reinstatement of Revoked Certificate.

The CBA heard Mr. Haynes' petition for reinstatement of revoked certificate.

C. Robert John Grimes – Petition for Termination of Probation.

The CBA heard Mr. Grimes' petition for termination of probation.

VI. Closed Session: Pursuant to Government Code Section 11126(c)(3), the California Board of Accountancy will Convene into Closed Session to Deliberate on the Petitions.

VII. Report on the Enforcement Advisory Committee, Qualifications Committee, and Peer Review Oversight Committee.

A. Enforcement Advisory Committee.

1. Report of the February 1, 2018, Enforcement Advisory Committee Meeting.

Mr. Rosenbaum reported that members reviewed 12 open cases and 15 closed cases and held two investigative hearings.

B. Qualifications Committee.

1. Report of the January 24, 2018, Qualifications Committee Meeting.

Ms. Sanchez reported that at the January 17, 2018 subcommittee meeting and the January 24, 2018 QC meeting there were a total of 10 Section 69 reviews and 2 personal appearances. She stated that 10 were recommended for approval of a CPA license, and 2 were deferred.

C. Peer Review Oversight Committee.

1. Report of the February 9, 2018 Peer Review Oversight Committee Meeting.

Mr. De Lyser stated that the Peer Review Oversight Committee (PROC) discussed and voted to approve the establishment of a subcommittee to evaluate and implement revisions to the oversight procedures for the PROC

Administrative Site Visit to the California Society of Certified Public Accountants (CalCPA), including the correlating checklists, and incorporation of new procedures from the new American Institute of Certified Public Accountants (AICPA) Benchmark Model and Peer Review Integrated Management Application (PRIMA) system.

Mr. De Lyser stated that the PROC discussed potential revisions to the PROC's NASBA Compliance Assurance Committee (CAC) checklist and decided to use the PROC Peer Review Board checklist in-place of the NASBA CAC checklist.

2. Presentation and Possible Adoption of the 2017 Peer Review Oversight Committee Annual Report.

Mr. De Lyser stated that the 2017 PROC Annual Report includes information on various activities and accomplishments, information on the oversight functions performed by the PROC, and various statistical information.

Mr. De Lyser stated that the PROC undertook several important initiatives to improve the oversight of the peer review process over the year which included:

- Evaluation and refinement of the PROC Administrative Site Visit used to evaluate CalCPA's administration of the peer review program
- Assessment of two AICPA Enhanced Audit Quality initiatives that actualized in 2017
- Evaluation of the California peer reviewer population, through written communications with both AICPA and CalCPA, which concluded that neither entities have an existing framework to monitor the peer reviewer population in California
- Updated the PROC Procedures Manual to remain relevant, specifically the section relating to committee membership qualification and oversight responsibilities
- Enhanced peer review-related statistics to provide the CBA an overview of the peer review program

Mr De Lyser stated that the PROC concluded that the AICPA Peer Review Program functions effectively in accordance with the standards adopted by the CBA.

Ms. Molina Lopez inquired on the reason that the August 2017 PROC meeting was cancelled.

Mr. De Lyser stated that the meeting was cancelled due to a lack of a quorum, because of the vacancies on the PROC.

Ms. Molina Lopez stated that staff should add the meeting cancellation and reason into the PROC report.

Mr. Campos inquired if Mr. De Lyser could provide more context regarding other state societies that administer peer review.

Mr. De Lyser stated that it is allowable for California firms to have their peer review administered by another state. He stated that because of that, the PROC reviews, on a sample basis, the AICPA oversight visit reports as part of the oversight activity of out-of-state administrative entities each year. All AICPA oversight visit reports were reviewed and accepted by the AICPA Peer Review Board Oversight Task Force.

It was moved by Mr. Campos and seconded by Ms. Berhow to adopt the 2017 Peer Review Oversight Committee Annual Report.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

VIII. Report of the Enforcement Chief.

A. Enforcement Activity Report.

Mr. Franzella provided an overview of this item.

Mr. Campos inquired if the item titled Referrals to Revoke Probation under Probation Monitoring was indicative of the totality of probationers that are not complying with their terms of probation.

Mr. Franzella stated that the line item was recently added to the report. He stated that in future reports, staff will be incorporating information on the probation violations that staff have identified during the course of the fiscal year.

Mr. Silverman inquired on why there was a significant increase in the convictions and subsequent arrests on the "Complaint Types" received in fiscal year (FY) 2015-16 compared to FYs 2016-17 and FY 2017-18.

Mr. Franzella stated that the increase in the amount of Convictions and Subsequent Arrest had to do with the retroactive fingerprinting requirement

identifying a large number of arrests and convictions that were not previously identified.

IX. Report of the Licensing Chief.

A. Licensing Activity Report.

Ms. Sanchez provided an overview of this item.

Ms. Wright inquired if staff has any insight on to why the top three states with the highest pass rate continue to be the same states.

Ms. Sanchez stated that staff have reached out to NASBA to receive additional information and are awaiting their response.

Mr. Famalett inquired on the reason that staff is receiving less first-time and repeat sitter applications for the Uniform CPA Examination.

Ms. Sanchez stated that staff have reached out to NASBA and CalCPA for more insight as to the reason.

X. Report on the Committee on Professional Conduct, Legislative Committee, Mobility Stakeholder Group, and Enforcement Program Oversight Committee.

A. Committee on Professional Conduct.

1. Report of the March 22, 2018, Committee on Professional Conduct Meeting.
2. Discussion and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations, Sections 87 and 88, Continuing Education Rules.

Ms. Berhow stated that the purpose of this agenda item was to provide an opportunity for the CBA to consider taking action to amend CBA Regulation section 87(a)(2) to include four additional technical subject areas and CBA Regulations section 88(h) to increase the allowable continuing education credit for specified activities. She stated that the CBA discussed the Model Rules for Continuing Education, or Rules, at its January meeting and directed staff to draft regulatory language to amend the relevant CBA Regulations

The CPC recommended that the CBA:

- **Approve the regulatory text in CBA Regulations sections 87(a)(2) and 88(h), which should show 50% as underlined;**

- **Direct staff to submit the text to the Director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review; and**
- **If no adverse comments are received, authorize the Executive Officer to take all steps necessary to initiate the rulemaking process, make any non-substantive changes to the package, and set the matter for hearing.**

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, and Ms. Salazar.

3. Discussion Regarding the National Association of State Boards of Accountancy Model Rules for Continuing Professional Education, Article Three and Possible Changes to Title 16, California Code of Regulations, Section 87 Basic Requirements for Continuing Education.

Ms. Berhow stated that purpose of this agenda item was to provide the CBA an opportunity to review and discuss the CBA's Ethics Continuing Education, or CE, requirements when compared to NASBA's Model Rules for Continuing Professional Education. She stated that at the January meeting, CBA members discussed this topic and requested that staff provide more information regarding the NASBA Fields of Study that qualify for Continuing Professional Education.

Ms. Berhow stated that staff determined that the CBA Regulations encompass many of NASBA's Model Rules subjects relating to ethics, with the exception of sexual harassment, workplace harassment, and workplace violence. She stated that staff also determined that the CBA Regulations have a thorough definition of ethics that align with NASBA's Rules and include varying subject matter, which allows licensees several options to complete CBA's four-hour ethics requirement.

4. Information Regarding Regulatory Oversight Responsibilities Relating to Legalized Cannabis.

Ms. Berhow stated that the purpose of this agenda item was to provide the CBA with information regarding the regulation of legalized cannabis.

Ms. Berhow stated that that over the past several years, 12 boards of accountancy have issued information regarding providing services to businesses in the cannabis industry. She stated that the statements issued by the various boards of accountancy appear to provide, in essence, a comfort statement regarding providing services to clients in the cannabis industry.

Ms. Berhow stated that the issue of the CBA providing a comfort statement has been raised by licensees. She stated that the CBA does not issue such statements and that statements such as those offered by other boards of accountancy, in fact, operate as legal opinions. Further, in California, only the Office of the Attorney General can issue these types of legal opinions.

Ms. Berhow stated that presently, when staff are contacted by licensees inquiring about the CBA's position regarding providing services to clients of the cannabis industry, staff inform them that the CBA has no position and that they need to consider and possibly seek legal counsel to assess the risk factors and make their own assessment on whether to engage with clients in the cannabis industry.

Ms. Wright stated that when reviewing the CBA rules, regulations, and statutes, she could not locate any prohibition against issuing any comfort statements. She stated that issuing such a letter would not be a legal opinion. Ms. Wright stated that the CBA has a high level of responsibility to the CPA community and leaving them without assurance the CBA would not take action against them directly for completing work papers for a cultivator, manufacturer, distributor, or retailer of cannabis does a disservice to the CPA industry, especially the small to medium sized practitioners.

Mr. Jacobson stated that he does not feel that we were talking about a comfort letter but we were talking about a comfort position. He stated that courts are greatly deferent with agencies who are given responsibility to enforce certain issues and that a court should be deferential to the CBA on accounting issues. He stated that because California and the United States federal government have different laws regarding cannabis, CPAs should consult a lawyer regarding work they can do in the cannabis industry.

Mr. Savoy stated that the cross-over is when the federal government comes in and goes after CPAs because the federal government decides to go after all providers of service within the cannabis industry in California. He stated that is why the CBA has hesitated on providing response, until there is more clarity with what the federal government is going to do and more time has to unfold to see how the federal government proceeds with the issue of legalized cannabis.

Mr. Campos stated that in the deliberations during the CPC meeting, it was the advice of counsel and staff that the CBA is not in the position to provide

these types of statements or opinions because that is the job of the Attorney General's Office and it is outside of the purview of what the CBA can do.

Ms. Butu stated that CBA and staff should not be giving legal advice of any kind. She stated that DCA legal does not give advice to the public because it doesn't want to create an attorney/client relationship with any member of the public.

The CPC recommended that the CBA direct staff to monitor the progress associated with the regulation of cannabis, keep the CBA apprised of any significant issues impacting the CBA, the accounting profession, or the CBA's consumer protection mandate, and convey, as appropriate, the information to other regulatory agencies.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Mr. Silverman.

No: Ms. Wright.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, and Ms. Salazar.

B. Legislative Committee.

1. Report of the March 22, 2018, Legislative Committee Meeting.
2. California Board of Accountancy 2018 Legislative Tracking Chart.

This was a written report only.

3. Review and Consideration of Possible Positions on Legislation Impacting the California Board of Accountancy.
 - a. Assembly Bill 2087 – State Government Operations: Technology Modernization.

Ms. León stated that AB 2087 would require each state agency to establish modernization goals by the year 2020. She stated that currently, the CBA, in conjunction with DCA, have begun a business modernization project to identify IT solutions in the automation of its examination, licensing, and enforcement activities.

The LC recommended that the CBA take a watch position on AB 2087.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, and Ms. Salazar.

- b. Assembly Bill 2138 – Licensing Boards: Denial of Application: Criminal Conviction.

Ms. León stated that AB 2138 would prohibit a board within DCA from denying a license application based solely on an applicant's conviction of a nonviolent crime. She stated that currently, the CBA may deny a license on the grounds that an applicant has been convicted of a crime, done any act involving dishonesty or deceit, and any act that would be grounds for suspension or revocation.

Ms. León stated that effective January 2015, Assembly Bill 2396 prohibited a board from denying an application base solely upon a felony, misdemeanor, or any conviction that has been dismissed by the court. She stated that the CBA took an oppose position on AB 2396 stating that the bill would eliminate denial of a license as an enforcement tool for consumer protection.

Ms. León stated that if enacted as currently drafted, the CBA may incur unknown and possibly significant expenses to determine whether applicants convicted of nonviolent crimes should be denied licensure.

Ms. León stated that one of the authors of the bill conveyed to DCA their interest in receiving input from boards to help improve the bill.

Mr. Campos inquired if taking a watch position on AB 2138 would provide the CBA enough time to work with the author of the bill to make changes.

Mr. Savoy stated that the CBA would have time to change our position at the May meeting.

Mr. Campos stated that he is supportive of a watch position, but thinks the communication to the author of the bill needs to be direct and explicit about the concerns that the CBA has with the language in the bill.

Ms. Bowers stated that with the watch position, staff can also send a letter to the author of the bill stating the concerns with the language of the bill.

The LC recommended that the CBA take a watch position on AB 2138.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

- c. Assembly Bill 2483 – Department of Consumer Affairs: Office of Supervision of Occupational Boards.

Ms. León stated that AB 2483 would establish an Office of Supervision of Occupational Boards within DCA to exercise active supervision over a covered board, including the CBA, to ensure compliance with specific policies regarding licensing and enforcement. She stated that currently a board within DCA acts as a semi-autonomous entity. The decisions of the boards with respect to setting standards, conducting examinations, approving candidates, and revoking licenses are not subject to review by the Director of DCA.

Ms. León stated that CBA staff met with the author's office and the legislative staff stated they would like to work with DCA boards on the bill.

The LC recommended that the CBA take an oppose position on AB 2483 and direct staff to convey the CBA's concerns in the opposition letter.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson,

Ms. Salazar, and Mr. Silverman.

d. Assembly Bill 2958 – State Bodies: Meetings: Teleconference.

Ms. León stated that AB 2958 would amend provisions of the Bagley-Keene Open Meeting Act with respect to teleconference meetings. She stated that this bill would require that all state bodies conducting a meeting by teleconference, do the following:

1. List the member participating via teleconference in the meeting minutes
2. Designate a primary physical meeting location
3. Include the teleconference phone number and website in the agenda to indicate how the public can access the meeting remotely, and
4. On and after January 1, 2019, prior to holding a meeting by teleconference, a state body shall adopt teleconference regulations.

Ms. León stated that currently the CBA lists the teleconference location, when applicable, on all meeting agendas. The meeting minutes indicate whether a member was present, but does not specify whether they participated via teleconference. She stated that the CBA does not have teleconference regulations and adopting new ones would take approximately 18 months and during this time period the CBA would be prohibited from holding a meeting via teleconference.

Mr. Campos inquired if a member did not attend a teleconference location, would the entire meeting then be cancelled.

Ms. Butu stated yes, the meeting would be cancelled.

The LC recommended that the CBA take a watch position on AB 2958.

Yes: Ms. Berhow, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: Mr. Campos.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

e. Senate Bill 921 – State Agencies: Internet Web Site: Disclosure of Financial Information.

Ms. León stated that SB 921 would require any state agency that maintains and operates its own website to post the number of employees, total authorized budget, and the sources of its funding for the current and five preceding fiscal years immediately below the heading on the homepage of its website.

Ms. León stated that currently, the CBA homepage displays its mission and vision statement, announcements, links to information regarding licensing and enforcement programs, and upcoming events. She stated that the information specified in this bill is already publicly available and in various publications, such as the CBA Annual Report, CBA Strategic Plan, and UPDATE. These resources are all posted on the CBA's website.

The LC recommended that the CBA take a watch position on SB 921.

Yes: Ms. Berhow, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Mr. Campos, Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

- f. Senate Bill 984 – State Board and Commissions: Representation: Women.

Ms. León stated that SB 984 would require that the composition of boards and commissions throughout state government be, at a minimum, 50 percent women. She stated that the CBA membership has historically been at least 50 percent women. She stated that this bill would not impact the CBA's current composition, as nine of the 15 appointees are women.

Ms. Berhow inquired on what the punishment would be if boards are not comprised of at least 50 percent women.

Ms. Butu stated that she was unsure and it could possibly affect appointments.

Ms. Berhow inquired that if no women are applying to the CBA or there are no women available to appoint and the CBA appoints a male in that position, would the CBA be punished for that. She inquired if there could be quorum issues.

Ms. Butu stated that that she is unsure if the statute prohibit the appointment of males, if there is not at least 50 percent females appointed.

The LC recommended that the CBA take a watch position on SB 984.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

g. Senate Bill 993 – Sales Tax: Services.

Ms. León stated that SB 993 would impose an unspecified sales tax on the purchase of services. She stated that this bill would exempt health care services, education services, child care, interest and insurance payments subject to gross premium tax, and a business with gross receipts of less than \$100,000 in the previous four quarters.

Ms. León stated that SB 993 does not have an impact on the CBA's mission of consumer protection. However, it would broaden the tax base by imposing a sales tax on services, including those provided by CPAs. She stated that in 2015, a similar bill, SB 8, was introduced by the author. The CBA took a Watch position on that bill and it failed passage.

Ms. Nicholson inquired on why the CBA would not take an oppose position on SB 993 instead of a watch position.

Ms. Bowers stated the bill does not have a direct impact on the CBA's role of consumer protection. She stated that generally when staff bring forward a recommendation, the focus would be on what impacts our role of protecting the consumer as opposed to what impacts the profession.

The LC recommended that the CBA take a watch position on SB 993.

Yes: Mr. Campos, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Mr. Savoy, and Ms. Wright.

No: Mr. Famalett and Ms. Nicholson.

Abstain: Ms. Berhow.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

h. Senate Bill 1121 – Personal Information.

Ms. León stated that SB 1121 would amend the Information Practices Act to revise the definition of business to include an entity that owns, licenses, collects, maintains, and possesses records. She stated that this bill does not apply to the CBA as a business. However, the bill would impact CBA licensees, such as sole proprietors, partnerships, and corporations.

The LC recommended that the CBA take a watch position on SB 1121.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

i. Senate Bill 1159 – California Board of Accountancy: Meetings: Minutes.

Ms. León stated that at the January 2018 CBA meeting, at the request of Senate Business, Professions and Economic Development (Senate B&P) Committee staff, the CBA discussed and supported a proposal to exempt CPAs with an inactive license, who are current members of the Legislature or Congress, from the requirement to place the term “inactive” after their CPA designation.

Ms. León stated that in February 2018, Senate B&P Committee staff informed CBA staff that, at that time, it would not include the proposal in an omnibus bill due to potential opposition. She stated that shortly thereafter, Senator Moorlach’s staff contacted CBA staff to advise the CBA that Senator Moorlach introduced SB 1159 as a spot bill to use as the vehicle for the CBA inactive designation proposal previously approved by the CBA. She stated that earlier this week, SB 1159 was amended to include the inactive designation language previously supported by the CBA.

Mr. Jacobson stated that he opposes SB 1159 because if a member of Congress or the Legislature is inactive, it should be stated.

The LC recommended that the CBA take a watch position on SB 1159.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. León, Ms. Nicholson, and Mr. Savoy.

No: Mr. Jacobson, Ms. Molina Lopez, and Ms. Wright.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

j. Senate Bill 1371 – Occupational Licensing: List.

Ms. León stated that SB 1371 would add a section to the Business and Professions Code to provide a list of occupational licenses and would require this list to be maintained by an unspecified entity.

The LC recommended that the CBA take a watch position on SB 1371.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

k. Senate Bill 1492 – Professions and Vocations.

Ms. León stated that SB 1492 contains two legislative proposals requested by the CBA to be included in the Senate B&P Committee's omnibus. She stated that a third proposal requested by the CBA to amend Business and Professions Code section 5100 will be amended into SB 1492 at a later time.

The LC recommended that the CBA take a support position on the provisions of SB 1492 relating to the CBA.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

- I. Other Bills Being Monitored by the California Board of Accountancy.
 - i. Assembly Bill 1137 – Veterans: Professional Licensing.
 - ii. Assembly Bill 1659 – Healing Arts Boards: Inactive Licenses.
 - iii. Assembly Bill 2069 – Medicinal Cannabis: Employment Discrimination.
 - iv. Assembly Bill 2264 – Professions and Vocations: Fees.
 - v. Assembly Bill 2296 – Department of Consumer Affairs: Administrative Expense: Charge.
 - vi. Assembly Bill 2409 – Professions and Vocations.
 - vii. Assembly Bill 2494 – Professions and Vocations.
 - viii. Assembly Bill 3183 – Consumers.
 - ix. Senate Bill 1258 – Department of Consumer Affairs.
 - x. Senate Bill 1480 – The California Board of Accountancy: Office Locations.

This was a written report only.

4. Legislative Items for Future Meeting. The California Board of Accountancy may discuss other items of legislation in sufficient detail to determine whether such items should be on a future Legislative Committee meeting agenda and/or whether to hold a special meeting of the Legislative Committee to discuss such items pursuant to Government Code section 11125.4.

There was no report on this agenda item.

C. Mobility Stakeholder Group.

1. Report of the March 22, 2018, Mobility Stakeholder Group Meeting.
2. Discussion and Possible Action Regarding the Ongoing Role of the Mobility Stakeholder Group.

Mr. Campos stated that at the September 2017 and January 2018, the CBA considered the ongoing role of the Mobility Stakeholder Group (MSG) in supporting its consumer protection mandate as it relates to mobility.

Mr. Campos stated that CBA is being asked to approve the activities associated with the MSG's ongoing role, specifically related to ensuring states are adhering to the enforcement best practices and the disclosure requirements included in the mobility provisions.

Mr. Campos stated that given NASBA's work on making determinations over the past several years, its long history performing substantial equivalency determinations, and its access to contacts from other states, staff suggested that the CBA should seek to have NASBA assist it in performing these ongoing determinations.

Mr. Campos stated that the MSG discussed the importance of understanding the disposition of cases that the CBA refers to other states and to authorize staff to engage in discussions with NASBA to determine whether future updates to the Guiding Principles of Enforcement are warranted.

The MSG recommended that the CBA:

- **Employ a similar process for determining that states continue to operate under substantially equivalent enforcement best practices.**
- **Include as part of its evaluation two additional criteria:**
 1. **Whether states in a timely manner and adequately address enforcement referrals by the CBA; and**
 2. **Whether the state imposes discipline against licensees that is appropriate for the nature of the alleged misconduct.**
- **Direct staff, working with the MSG Chair, to contact NASBA to gauge its willingness in assisting the CBA in these ongoing determinations, and that, at a minimum, NASBA provide:**
 - **A scope of work/methodology for conducting a state-by-state review, taking into the additional criteria;**
 - **Evaluation of states' continued disclosure of disciplinary information;**
 - **A timeframe for conducting its review;**
 - **Its process for evaluating the Guiding Principles and its plans on considering revisions and exposure for any revisions; and**
 - **Any additional information it deems relevant for CBA consideration.**

- **Request that NASBA, should it agree with assisting in the determination process, to provide the above-identified information to the CBA for its consideration for the July 2018 Meeting.**

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

3. Discussion Regarding the Mobility Activity Report.

Mr. Campos stated that the purpose of this agenda item was to allow the MSG the opportunity to review and discuss the creation of a standing Mobility Activity Report (MAR). He stated that staff presented a draft version of the MAR with statistics from previous MSG Annual Reports.

Mr. Campos stated that after discussion the MSG suggested that, in the future, the MAR be updated to include the following categories: NASBA developments related to mobility, peer review for out-of-state firms, and internet disclosure.

4. Discussion and Possible Action Regarding Stakeholder Objectives Related to the Mobility Stakeholder Group.

Mr. Campos stated that purpose of this agenda item was to provide the MSG the opportunity to discuss and take action to revise its stakeholder objectives which were established in 2014 to include disclosure of a licensee's disciplinary history.

The MSG recommended that the CBA direct staff to add to the stakeholder objectives the internet disclosure of a licensee's disciplinary history.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. León, Ms. Molina Lopez, Ms. Nicholson, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

D. Enforcement Program Oversight Committee.

1. Report of the March 22, 2018, Enforcement Program Oversight Committee Meeting.
2. Staff Update Regarding Violations of Title 16, California Code of Regulations, Section 87(a)(1) Minimum Annual Continuing Education Requirement.

Mr. Silverman stated that the purpose of this agenda item is to provide the CBA with information regarding implementing CBA Regulations Section 87(a)(1), also referred to as the “20/12 requirement”.

Mr. Silverman stated that 20/12 violations are identified in the Renewal Unit. For first time violations, the Renewals Unit notifies licensees of the requirement and informs them that future violations are referred over to the Enforcement Division. Enforcement referrals may warrant an additional letter or the issuance of a citation and fine.

Mr. Silverman stated that going forward, all license renewal applications identified for violation of the 20/12 will be referred to the Enforcement Division. Violations will be reviewed on a case-by-case basis to determine if a warning letter or other enforcement action is warranted.

XI. Meeting Minutes.

- A. Adoption of the Minutes of the January 18, 2018, California Board of Accountancy Meeting.
- B. Acceptance of the Minutes of the September 14, 2017, Mobility Stakeholder Group Meeting.
- C. Acceptance of the Minutes of the January 18, 2018, Legislative Committee Meeting.
- D. Acceptance of the Minutes of the January 18, 2018, Committee on Professional Conduct Meeting.
- E. Acceptance of the Minutes of the September 14, 2017, Enforcement Program Oversight Committee Meeting.
- F. Acceptance of the Minutes of the December 8, 2017, Qualifications Committee Meeting.

- G. Acceptance of the Minutes of the October 19, 2017, Enforcement Advisory Committee Meeting.
- H. Acceptance of the Minutes of the October 25, 2017, Qualifications Committee Meeting.

It was moved by Ms. Berhow and seconded by Mr. Jacobson to approve agenda items X.A. – X.H. with the correction to the CBA officers on the first page of the CBA minutes, item X.A.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. León, Mr. Savoy, and Ms. Wright.

No: None.

Abstain: Mr. Jacobson, Ms. Molina Lopez, and Ms. Nicholson.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.

XII. Other Business.

A. American Institute of Certified Public Accountants.

- 1. Report on Meetings of the American Institute of Certified Public Accountants Attended by a California Board of Accountancy Representative.

There was no report on this agenda item.

B. National Association of State Boards of Accountancy.

- 1. Report of the National Association of State Boards of Accountancy Pacific Regional Director.

- a. Report of the February 22, 2018, Pacific Region Conference Call.

Ms. Salazar reported that she led the conference call, which included the participation of seven states and jurisdictions, and NASBA staff and board members. Ms. Salazar provided highlights of the January NASBA meeting which included approval of a mutual recognition agreement with Scotland that included mobility between the United States and Scotland. She stated that the NASBA Western Regional Meeting will be held in Olympic Valley, CA (Lake Tahoe area) on June 26-28, 2018 and CBA members are encouraged to attend.

Ms. Salazar stated that during the conference call Arizona discussed deregulation legislation, which is pending in Arizona.

Ms. Salazar reported that Guam has opened a new testing center.

2. Discussion and Approval of Staff Responses to the National Association of State Boards of Accountancy's Focus Questions.

It was moved by Mr. Jacobson and seconded by Mr. Silverman to approve the responses to the NASBA focus questions.

Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Jacobson, Ms. Leon, Ms. Molina Lopez, Ms. Nicholson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: Ms. Hinds, Mr. Ou-Yang, Ms. Park, and Ms. Robinson.

3. Report on Meetings of the National Association of State Boards of Accountancy Attended by a California Board of Accountancy Member or Staff.

- a. Bylaws Committee.

Ms. Salazar stated that the goal of this committee is to evaluate bylaw revisions and bring those revisions to the October 2018 NASBA annual meeting.

- b. Enforcement Resources Committee.

Ms. Salazar stated that there is no report on this item. She stated that the next Enforcement Resources Committee meeting will be held on May 15, 2018, via teleconference.

- c. Strategic Planning Task Force.

There was no report on this agenda item.

- d. Continuing Professional Education Committee.

There was not report on this agenda item.

- e. Report of the 36th Annual Conference for Executive Directors and Board Staff held March 13-15, 2018.

Ms. Bowers stated that all but nine states had representatives at the conference. She stated that attendees included executive directors, staff, legal counsel, and representatives from professional societies.

Ms. Bowers stated that various topics of the conference included CE reciprocity for license renewal, CE tracking and compliance, the new CE tracking system that NASBA has implemented, and the legalization of cannabis.

- f. Report of the 23rd Annual Conference for Legal Counsel Held March 13-15, 2018.

Mr. Franzella stated that at the conference there was discussion regarding blockchain and cryptocurrency and the regulation issues that occur.

Mr. Sonne stated that a portion of the time was spent networking with other states regarding current issues that states are facing and how states are solving those issues.

XIII. Closing Business.

A. Public Comments.

There were no public comments.

B. Agenda Items for Future California Board of Accountancy Meetings.

Ms. Wright suggested staff bring information to a future meeting regarding the CBA's mission of consumer protection and what impacts the CPA profession.

Mr. Jacobson suggested he conduct a presentation on what is substantially related to the practice of public accountancy.

- XIV. Closed Session: Pursuant to Government Code Section 11126(c)(3), the California Board of Accountancy Will Convene Into Closed Session to Deliberate on Disciplinary Matters.

- XV. Closed Session: Pursuant to Government Code Section 11126(e), the California Board of Accountancy Will Meet in Closed Session to Receive Advice From Legal Counsel on Litigation (*David Greenberg v. California Board of Accountancy*, Los Angeles County Superior Court, Case No. BS155045).

Adjournment.

President Savoy adjourned the meeting at 11:09 a.m. on Friday,
March 23, 2018.

Michael M. Savoy, CPA, President

Mark J. Silverman, Esq., Secretary/
Treasurer

Rebecca Reed, Board Relations Analyst, and Patti Bowers, Executive Officer,
CBA, prepared the CBA meeting minutes. If you have any questions, please
call (916) 561-1718.